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August 23, 2004

ADVICE LETTER 1618-E
(U902-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**SUBJECT: ESTABLISHMENT OF SCHEDULE NEM-CT – NET ENERGY METERING FOR
COMBINED TECHNOLOGY GENERATION FACILITIES**

San Diego Gas & Electric Company (SDG&E) hereby transmits for filing revisions applicable to its electric tariffs as shown in the Attachment.

PURPOSE

The purpose of this filing is to seek approval from the California Public Utilities Commission to establish Schedule NEM-CT, Net Energy Metering for Combined Technology Generation Facilities.

BACKGROUND

Pursuant to California Public Utilities Code (PU) Code Section 2827, Schedule NEM provides for net energy metering (NEM) and billing to eligible customers with a solar or wind turbine electrical generating facility, or a hybrid system of both, as described in SDG&E's Schedule NEM. The PU Code does not address how to bill and meter generation facilities that operate an NEM eligible solar or wind turbine electric generating facility in combination with another type of electric generation that does not qualify for NEM. SDG&E anticipates that it will have a few customers that will have installed NEM eligible and non-NEM eligible facilities in the near future. As a result, SDG&E is requesting approval to establish Schedule NEM-CT to deal with such combined technology generation facilities in the manner described below.

Schedule NEM-CT will treat power produced by an NEM eligible facility in a manner consistent with the treatment that the generator would receive on Schedule NEM. To the extent the power produced by the NEM eligible generator exceeds the load of the customer for a given time period the value of that power will be netted in a subsequent period of up to a year. Power produced by the non-NEM eligible facility will then be treated as incremental power to the NEM eligible generator's power production and as it otherwise would be treated under Rule 21, Interconnection Standards for Non-Utility Owned Generation, and other applicable tariffs.

A customer taking service under Schedule NEM-CT is permitted to also take service on Schedule S, Standby Charges. In establishing the Contract Demand for Schedule S the rated capacity of the NEM eligible facility is not to be included. If the customer has a Utility installed generator output meter to measure the power produced by the NEM eligible facility then in determining any adjustments to the Contract Demand in accordance with Schedule S, the power produced by the NEM eligible facility shall be excluded.

In addition to establishing Schedule NEM-CT, Schedule NEM is being slightly modified to reflect that the schedule is available to eligible customer generators until the total rated generating capacity used by eligible customer generators, including eligible customers taking service under NEM-CT, exceeds one-half of one percent of the Utility's aggregate customer peak demand.

EFFECTIVE DATE

SDG&E respectfully requests that this Advice Letter become effective October 2, 2004, which is 40 calendar days after the date filed.

PROTEST

Anyone may protest this advice letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date this advice letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

Energy Division—IMC Branch
California Public Utilities Commission
505 Van Ness Avenue, Room 4002
San Francisco, CA 94102

Copies should also be sent via e-mail to the attention of both Jerry Royer (jrr@cpuc.ca.gov) and Honesto Gatchallian (jnj@cpuc.ca.gov) of the Energy Division. It is also requested that a copy of the protest be sent via electronic mail and facsimile to SDG&E on the same date it is mailed or delivered to the Commission (at the addresses shown below).

Attn: Monica Wiggins
Regulatory Tariff Manager
8330 Century Park Court, Room CP32
San Diego, CA 92123-1548
Facsimile No. (858) 654-1788
E-Mail: mwiggins@semprautilities.com

NOTICE

In accordance with Section III.G of General Order No. 96-A, a copy of this filing has been served on the utilities and interested parties shown on the attached list by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

Address changes should be directed to Christina Sondrini by facsimile at (858) 654-1788 or by e-mail at csondrini@semprautilities.com.

J. STEVE RAHON
Director—Tariffs & Regulatory Accounts

ATTACHMENT
ADVICE LETTER 1618-E

Cal. P.U.C. Sheet No.	Title of Sheet	Canceling Cal. P.U.C. Sheet No.
Revised 17393-E	SCHEDULE NEM, NET ENERGY METERING, Sheet 1	Revised 16934-E
Original 17394-E	SCHEDULE NEM-CT, NET ENERGY METERING, FOR COMBINED TECHNOLOGY GENERATION FACILITIES, Sheet 1	
Original 17395-E	SCHEDULE NEM-CT, NET ENERGY METERING, FOR COMBINED TECHNOLOGY GENERATION FACILITIES, Sheet 2	
Original 17396-E	SCHEDULE NEM-CT, NET ENERGY METERING, FOR COMBINED TECHNOLOGY GENERATION FACILITIES, Sheet 3	
Revised 17397-E	TABLE OF CONTENTS, Sheet 1	Revised 17220-E
Revised 17398-E	TABLE OF CONTENTS, Sheet 3	Revised 17221-E



San Diego Gas & Electric Company
San Diego, California

Revised	Cal. P.U.C. Sheet No.	17393-E
Canceling	Revised	Cal. P.U.C. Sheet No.
		16934-E

SCHEDULE NEM
NET ENERGY METERING

Sheet 1

APPLICABILITY

Pursuant to California Public Utilities Code (PU Code) Section 2827, this schedule is applicable to a residential, small commercial (as defined in subdivision (h) of Section 331 of the PU Code), commercial, industrial, or agricultural customer who uses a solar or wind turbine electrical generating facility, or a hybrid system of both, with a capacity of not more than 1,000 kilowatts (kW) that is located on the customer's owned, leased, or rented premises, is interconnected and operates in parallel with the Utility's transmission and distribution systems, and is intended primarily to offset part or all of the customer's own electrical requirements (hereinafter "eligible customer-generator" or "customer"). Certain incremental billing and metering costs set forth in this schedule that are related to net energy metering are applicable to Energy Service Providers (ESPs) serving eligible customer-generators.

This service is not applicable to a Direct Access (DA) customer where the customer's ESP does not offer a net energy metering tariff. In addition, if an eligible customer-generator participates in direct transactions with an electric provider that does not provide distribution service for the direct transactions, the electric provider, and not the Utility, is obligated to provide net energy metering to the customer (also see Special Condition 3.e).

This schedule, in combination with Schedule NEM-CT, shall be available to qualified generation customers, upon request, on a first-come-first-served basis until the time that the total rated generating capacity used by eligible customer-generators on this schedule and eligible customer-generators on Schedule NEM-CT exceeds one-half of one percent of the Utility's aggregate customer peak demand.

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TERRITORY

Within the entire territory served by the Utility.

RATES

All rates charged under this schedule will be in accordance with the eligible customer-generator's otherwise-applicable metered rate schedule. An eligible customer-generator served under this schedule is responsible for all charges from its otherwise-applicable rate schedule including monthly minimum charges, customer charges, meter charges, facilities charges, energy and demand charges, and excluding any adjustments due to power factor provisions.

Customers eligible for service under this schedule shall not be required, or permitted, to take service under Schedule S, Standby Service, or Schedule S-I, Standby Service-Interruptible, for the qualifying generation. Eligible customers shall be permitted to take standby service for a non-eligible generator on the same meter as the eligible one.

All eligible customer-generators are responsible for Public Purpose Program (PPP) charges based on their net energy delivered by the Utility.

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1P8	Issued by	Date Filed	Aug 23, 2004
Advice Ltr. No.	Lee Schavrien	Effective	
Decision No.	Vice President Regulatory Affairs	Resolution No.	



San Diego Gas & Electric Company
San Diego, California

Original Cal. P.U.C. Sheet No. 17394-E
Canceling Cal. P.U.C. Sheet No.

SCHEDULE NEM-CT

Sheet 1 N

NET ENERGY METERING

N

FOR COMBINED TECHNOLOGY GENERATION FACILITIES

N

APPLICABILITY

Pursuant to California Public Utilities Code (PU Code) Section 2827, this schedule is applicable to a small commercial (as defined in subdivision (h) of Section 331 of the PU Code), commercial, industrial, or agricultural customer who has an electric generation facility that meets the criteria set forth in Schedule NEM to be eligible for service on that Schedule ("NEM Eligible Facility") and operates the NEM Eligible Facility in combination with another type of electric generation ("combined technology") that would not be eligible for NEM but is interconnected and operates in parallel with the Utility's transmission and distribution systems, and is intended primarily to offset part or all of the customer's own electrical requirements.

This schedule, in combination with Schedule NEM, shall be available to combined technology generation customers, upon request, on a first-come-first-served basis, until the time that the total rated generating capacity of the NEM Eligible Facilities and all other eligible customer generators on Schedule NEM exceeds one-half of one percent of the Utility's aggregate customer peak demand.

TERRITORY

Within the entire territory served by the Utility.

RATES

All rates charged under this schedule will be in accordance with the customer's otherwise applicable metered rate schedule. A customer with an NEM Eligible Facility, or other generator, served under this schedule is responsible for all charges from its otherwise applicable rate schedule including monthly minimum charges, customer charges, meter charges, facilities charges, energy and demand charges, and any adjustments due to power factor provisions.

All eligible customers are responsible for Public Purpose Program (PPP) and Nuclear Decommissioning (ND) charges based on their net energy delivered by the Utility or provided by a generator other than the NEM Eligible Facility.

SPECIAL CONDITIONS

1. Definitions: The definitions of terms used in this schedule are either found herein or in Rule 1, Rule 21, Schedule NEM, or the customer's otherwise applicable rate schedule.
2. Metering Equipment: The customer shall be served by a meter, or meters, capable of registering the flow of electricity in two directions. If the existing meter(s) in place to serve the customer are not capable of registering the flow of electricity in two directions, the customer shall be responsible for all expenses involved in purchasing and installing a meter(s) that is able to register electricity flow in two directions. To the extent that the customer wishes to receive any tariff benefit that would require a measurement of the generation output of the NEM Eligible Facility the customer shall be responsible for all costs associated with the installation and operation of such a meter by the Utility.
3. Standby Charges: A customer taking service on this schedule is permitted to also take service on Schedule S. In establishing the Contract Demand for Schedule S the rated capacity of the NEM Eligible Facility is not to be included. Where the customer has paid for a Utility installed generator output meter on the NEM Eligible Facility then any portion of the customer's demand in excess of the Contract Demand in any billing month shall be adjusted to exclude any portion directly attributable to the NEM Eligible Facility.

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Advice Ltr. No. 1618-E

Decision No.

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Aug 23, 2004

Effective

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SCHEDULE NEM-CT

Sheet 2

NET ENERGY METERING FOR COMBINED TECHNOLOGY GENERATION FACILITIES

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SPECIAL CONDITIONS (Continued)

4. **NEM Eligible Facility Net Power Production:** Unless otherwise covered by a contract, power produced by the NEM Eligible Facility that is in excess of the load of the customer shall be considered to be NEM Eligible Facility Net Power Production. Power produced by a generator that is not an NEM Eligible Facility shall be additive to the power produced by the NEM Eligible Facility for billing purposes.
5. **Net Energy Metering and Billing:** NEM and Billing is defined as measuring the difference between the electricity supplied by the Utility through the electric grid to the customer and electricity generated by the NEM Eligible Facility that is fed back into the electric grid over a 12-month period. At the end of each 12-month period following the date the customer generator was first an NEM Eligible Facility, or the date of Parallel Operation, whichever is later, and at each anniversary date thereafter, the customer shall receive a true up to their bill. The true up to the bill shall be such that the customer receives a credit to their bill equal to the retail energy rates multiplied by the NEM Eligible Facility Net Power Production limited such that the Utility does not give credit for any power production over the 12-month period that exceeds the 12-month load.
 - a) **Time-of-Use:** If the customer's NEM Eligible Facility Net Power Production is positive during any discrete time-of-use (TOU) period, the net kWh produced shall be valued at the appropriate TOU rates charged other customers under the same otherwise applicable rate schedule.
 - b) **Annual and Monthly Billing:** If the Utility supplies the NEM Eligible Facility with electricity, the Utility shall provide the customer with net electricity consumption information with each regular bill. That information shall include the current monetary balance owed to the Utility for the net electricity consumed since the last 12-month period ended. Eligible small commercial customer-generators may pay monthly or annually for the net energy consumed. For all other commercial, industrial, and agricultural customers, the net balance of all moneys owed must be paid monthly. Net electricity produced over a monthly billing cycle shall be carried over to the following billing period and appear as a credit on the customer generator's account, until the end of the 12-month period.

A customer receiving service on this rate schedule shall not be eligible for the Level Pay Plan option set forth in Rule 9.

- c) **Cost Responsibility Surcharge (CRS):** Pursuant to D.03-04-030, all eligible customers shall pay the DWR charges and CTC (collectively CRS) on the net energy delivered by the Utility.
- d) **ESP Charges:** The charges for all energy components for eligible customer-generators shall be based exclusively on the eligible customer-generator's net energy consumption over a 12-month period, without regard to the eligible customer-generator's choice of ESP. If the eligible customer-generator switches its ESP during a 12-month period, the prior ESP shall reconcile the customer generator's consumption and production of electricity for the applicable part of the current 12-month period and the new 12-month period will begin with respect to service provided by the eligible customer-generator's new ESP.

The Utility will recover the incremental metering and billing service costs associated with net energy metering from the customer's ESP.

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Advice Ltr. No. 1618-E

Decision No.

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Aug 23, 2004

Effective

Resolution No.



San Diego Gas & Electric Company
San Diego, California

Original Cal. P.U.C. Sheet No. 17396-E

Canceling Cal. P.U.C. Sheet No.

SCHEDULE NEM-CT

Sheet 3 N

NET ENERGY METERING

N

FOR COMBINED TECHNOLOGY GENERATION FACILITIES

N

SPECIAL CONDITIONS (Continued)

6. Commencement of Service: The Utility shall start a customer on Schedule NEM-CT effective with the first meter read date prior to the later of (1) customer notice to the Utility of a request for service on Schedule NEM-CT or (2) the operation of the combined technology generation customer's eligible systems.
7. Interconnection: Prior to Parallel Operation, the combined technology generation customer shall comply with the Utility's Interconnection Standards as set forth in Rule 21. The NEM Eligible Facility of the combined technology generation customer shall meet all applicable safety and performance standards established by the National Electric Code, the Institute of Electrical and Electronics Engineers, and accredited testing laboratories such as Underwriters Laboratories and, where applicable, rules of the CPUC regarding safety and reliability.

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Advice Ltr. No. 1618-E

Decision No.

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Aug 23, 2004

Effective

Resolution No.



San Diego Gas & Electric Company
San Diego, California

	<u>Revised</u>	Cal. P.U.C. Sheet No.	<u>17397-E</u>
Canceling	<u>Revised</u>	Cal. P.U.C. Sheet No.	<u>17220-E</u>

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Decision No. _____

Issued by
Lee Schavrien
Vice President
Regulatory Affairs

Date Filed Aug 23, 2004

Effective _____

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San Diego Gas & Electric Company
San Diego, California

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Advice Ltr. No. 1618-E Lee Schavrien Effective
Decision No. Vice President Regulatory Affairs Resolution No.